

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 34934 01 OF 03 242129Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00

OMB-01 OES-06 /090 W

----- 115291

R 242046Z NOV 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 4435

INFO ALL OECD CAPITALS 0619

LIMITED OFFICIAL USE SECTION 01 OF 03 OECD PARIS 34934

DEPARTMENT PASS COMMERCE BDC/LD FOR PETERSON AND
FORMAN

E.O. 11652: N/A

TAGS: EIND, OECD

SUBJECT : INDUSTRY COMMITTEE MEETING, NOV. 17-19

REF: AGENDA IND/A(76)3

1. SUMMARY.

THE 31ST PLENARY SESSION OF THE OECD INDUSTRY COMMITTEE MET NOVEMBER 17-19 AND EXPERIENCED UNCHARACTERISTIC CONTROVERSY REGARDING ITS OVERALL DIRECTION. THE GERMAN, AUSTRIAN, DANISH, AND BELGIUM DELEGATIONS RELENTLESSLY DEFENDED IC'S HISTORIC ATTACHMENT TO A LIMITED SELECTION OF SECTORAL STUDIES, AND RESISTED SECRETARIAT, US, AUSTRALIAN, AND CANADIAN APPEALS FOR A POLICY-ORIENTED, CROSS-SECTORAL APPROACH. WITHIN THIS ATMOSPHERE, THE US PROPOSAL FOR AN INVESTMENT STUDY BARELY SURVIVED UNEXPECTED NEGATIVE RESPONSES FROM SEVERAL DELS WHO BASED THEIR ARGUMENTS, INTER-ALIA, ON THE UN-
AVAILABILITY OF DATA. DAVID PETERSON, DOC, LED US DEL.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 34934 01 OF 03 242129Z

END SUMMARY.

2. 1977 WORK PROGRAM - POLICY RELEVANCE OR STATUS QUO. IN OPENING IC'S 31ST SESSION, DEPUTY SECRETARY GENERAL WOOTTON URGED COMMITTEE TO STREAMLINE ITS PROGRAM AND FOCUS ON POLICY ISSUES EMPHASIZED BY THE OECD IN GENERAL, WITH PARTICULAR ATTENTION TO SUSTAINED, NON-INFLATIONARY ECONOMIC GROWTH. WOOTTON NOTED PROPOSAL FOR IC STUDY OF MEDIUM-TERM FINANCIAL REQUIREMENTS OF INDUSTRY AS ILLUSTRATIVE OF A CENTRAL POLICY ISSUE WHICH THE IC SHOULD UNDERTAKE. SCIENCE, TECHNOLOGY AND INDUSTRY DIRECTORATE HEAD BECKLER (US) THEN CITED TWO SPECIFIC DIFFICULTIES IN IC PROGRAM: A) AN EVIDENT LACK OF POLICY COORDINATION BETWEEN IC MEMBERS AND NATIONAL AUTHORITIES WHO DETERMINE POLICY OPTIONS FOR THE OECD BUDGET; B) AN OVERALL LACK OF DIRECTION IN IC WORK PROGRAM WHICH OVER-AMPLIFIES SECTORAL STUDIES WITHOUT POLICY RELEVANCE. CHAIRMAN COESSENS' (BELGIUM) CONTENTION THAT IC WORK PROGRAM ALREADY INCLUDED POLICY-RELEVANT WORK DREW MIXED RESPONSE FROM DELEGATES. AUSTRIA, SWEDEN, FINLAND, THE FRG, DENMARK, NETHERLANDS, AND BELGIUM SUBSTANTIALLY SUPPORTED COESSENS AND THE STATUS QUO. THE US, CANADA AND AUSTRALIA TILTED TOWARD THE SECRETARIAT. ADDITIONAL DEBATE DID NOT RESOLVE ISSUE OF WHICH DIRECTION IC SHOULD TAKE.

3. 11TH HOUR CONFRONTATION. TOWARD ADJOURNMENT THE IC FOCUSED ON A NOTE PREPARED BY THE SECRETARIAT FOR TRANSMITTAL TO THE EXECUTIVE COMMITTEE. SECRETARIAT EXPLAINED THAT NOTE WOULD RESPOND TO EXCOMM REQUEST THAT IC RECONSIDER WORK PROGRAM SO THAT IT WOULD CONCENTRATE MORE ON MAIN POLICY ISSUES. THE DRAFT REPORT OF THE IC'S REVIEW OF THE 1977 WORK PROGRAM PRODUCED SHARP CONTROVERSY. THE GERMAN DEL REJECTED OUT-OF-HAND THE LATTER HALF OF THE NOTE BECAUSE IN HER VIEW, IT DID NOT EXPRESS PRIORITIES AGREED UPON BY THE COMMITTEE. SHE CONTENDED THAT SECRETARIAT WAS ATTEMPTING AN "END RUN" TO THWART THE WILL OF IC. SHE NOTED THAT WHILE IC CLEARLY FAVORED CONTINUED HEAVY EMPHASIS ON SECTORAL STUDIES, THE NOTE STATED THE IC WAS FOCUSING ON A NUMBER OF "POLICY-RELEVANT", CROSS-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 34934 01 OF 03 242129Z

SECTORAL ISSUES. AUSTRIAN DEL COMPLETELY SUPPORTED FRG POSITION. COMMENTING ON APPARENT FAILURE OF THE IC TO ACCEPT DIRECTION OFFERED BY SECRETARIAT AND EXECUTIVE COMMITTEE, US DEL STATED THAT WE ARE "CONSIDERING THE POSSIBILITY OF NOT EXCLUDING RESERVING OUR POSITION" ON THE IC'S 1977 WORK PROGRAM. CANADA AND SWEDEN CALLED FOR PRECISE ANALYTICAL TOOLS FOR DETERMINING FUTURE PROGRAM COSTS AND PRIORITIES.

4. BECKLER URGED THE IC TO NOTE THAT IT WAS ONLY COMMITTEE WHOSE WORK PROGRAM WAS REFERRED BACK TO IT BY THE EXECUTIVE COMMITTEE. BECKLER ADDED THAT MANY OF THE SAME GOVERNMENTS WHICH SUPPORTED THE EXCOMM'S RECOMMENDATION WERE NOW ARGUING AGAINST ITS RELEVANCE AND LEGITIMACY. EXASPERATED, BECKLER TOLD THE IC THAT "YOU ARE LIVING

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 34934 02 OF 03 242117Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00

OMB-01 OES-06 /090 W

----- 114991

R 242046Z NOV 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 4436

INFO ALL OECD CAPITALS 0620

LIMITED OFFICIAL USE SECTION 02 OF 03 OECD PARIS 34934

IN A DREAM WORLD IF YOU THINK YOU'LL GET SUPPORT FOR SECTORAL STUDIES," AND ASKED RHETORICALLY: "DO YOU SUPPORT THE WORK PROGRAM OF THE SECRETARY-GENERAL?" DISPLAYING EMOTION THE AUSTRIAN DEL SAID THIS WAS FIRST TIME IN HIS 20 YEARS' EXPERIENCE THAT THE IC HAD BEEN SO DEMEANINGLY ADDRESSED BY DIRECTORATE. IN CALMER TONES HE AGREED WITH GERMAL DEL RECOMMENDATION TO DELETE FINAL TWO PARAS FROM NOTE WHICH IMPLIED A REORDING OF PRIORITIES.

5. CHAIRMAN COESSENS BESEECHED THE IC TO ACCEPT GERMAN

PROPOSAL TO TRANSMIT ONLY FIRST THREE PARAGRAPHS OF SECRETARIAT NOTE TO EXCOMM. CANADIAN DEL INSISTED THAT EITHER DRAFT NOTE TO EXCOMM OR IC MINUTES INDICATE THAT CANADIAN DELEGATION COULD NOT AGREE TO "SCOPE, CONTENT OR RELEVANCE" OF 1977 PROGRAM. AS SUCH, CANADIAN DEL REJECTED KEY STATEMENT IN PARA 3 OF NOTE WHICH READS: "THE COMMITTEE CONSIDERED THAT THE PROPOSED PROGRAM IS RESPONSIVE TO THE CURRENT ECONOMIC STRATEGIES OF GOVERNMENTS AND THAT IT CONCENTRATES ON THE CENTRAL ISSUES FOR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 34934 02 OF 03 242117Z

INDUSTRY AND INDUSTRIAL POLICY IN SUPPORT OF THE OBJECTIVES OF THE ORGANIZATION". CANADIAN DEL RELUCTANTLY WITHDREW HIS DEMAND AFTER IMPASSIONED APPEAL BY COESSENS THAT IC RESPOND TO EXCOMM IN SPIRIT OF UNITY. THUS, WHILE A BRIEF NOTE WILL GO FORWARD TO EXCOMM EXPRESSING IC AGREEMENT WITH SECGEN'S WORK PROPOSALS, DELEGATIONS MAY EXPRESS DIFFERING PRIORITY CONCERNS AT NEXT EXCOMM MEETING.

6. PERSPECTIVE REVIEWS.

PERSPECTIVE REVIEW COUNTRY REPORTS WERE GENERALLY PESSIMISTIC. ITALY, SWITZERLAND, SWEDEN, AND JAPANESE WILL LOOK TO EXPORTS TO ABSORB GOVERNMENT-SUPPORTED INVENTORIES WHICH ARE BEYOND ABSORPTIVE CAPACITIES OF THEIR DOMESTIC ECONOMIES.

7. DEVELOPMENT COOPERATION.

AS THIS ITEM GENERATED LITTLE INTEREST, COESSENS URGED VARIOUS WORK PARTIES, ESPECIALLY WP ON FUTURE INDUSTRIAL STRUCTURES, TO CONSIDER THIS ISSUE IN THEIR WORK.

8. RAW MATERIALS.

DELEGATIONS SHOWED LITTLE INTEREST IN THIS SUBJECT AS AN AREA FOR SPECIFIC WORK.

9. PROPOSAL TO STUDY MEDIUM-TERM FINANCIAL REQUIREMENTS FOR INDUSTRIAL INVESTMENT.

THIS PROPOSAL GENERATED ENORMOUS CONTROVERSY. DELEGATES FROM AUSTRIA, FRG, ITALY AND DENMARK ADAMANTLY OPPOSED ANY WORK IN THIS AREA, AND EVEN OPPOSED THE CHAIRMAN'S SUGGESTION FOR A FEASIBILITY STUDY. OTHER DELEGATIONS EVINced SOME INTEREST BUT EXPRESSED CONCERN RE SCOPE AND COMPLEXITY OF SECRETARIAT'S PROPOSED WORK PLAN. DEADLOCK WAS BROKEN WHEN FRENCH DEL SUGGESTED THAT THE EXPERTS WHO WILL MEET DECEMBER 6-7 TO DISCUSS FUTURE INDUSTRIAL STRUCTURES WILL BE COMPETENT TO DISCUSS FEASIBILITY OF PROPOSED INVESTMENT STUDY. WHILE THIS WAS SHORT OF A POSITIVE DECISION SOUGHT BY US DEL, IT LINKED PROPOSAL TO A RELEVANT AND TIMELY MEETING SINCE THE

DECEMBER DISCUSSIONS COULD PRODUCE A MORE POSITIVE RE-
COMMENDATION FOR THE MARCH IC PLENARY.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 34934 02 OF 03 242117Z

10. PETRO-CHEMICAL STUDY.
IC APPROVED PROPOSED FEASIBILITY STUDY.

11. INDUSTRIAL ADAPTATION.
IC AGREED TO PUBLISH THE REPORT AFTER UPDATING SAME.

12. PULP AND PAPER.
AS THIS SECTOR IS OF MAJOR IMPORTANCE TO MANY IC MEMBERS,
IC APPROVED PROPOSED WORK.

13. ENVIRONMENT COMMITTEE.
IC ENTHUSIASTICALLY APPROVED MAKING AD HOC WORKING PARTY
ON PULP AND PAPER THE IC LIAISON WITH ENVIRONMENT COM-
MITTEE'S WASTE MANAGEMENT POLICY GROUP.

14. JOINT WORKING PARTY ON TECHNOLOGY AND STRUCTURAL
ADAPTATION OF INDUSTRY.
IC APPROVED WORK ON ITEMS D AND E OF WORK PROGRAM.
SECRETARIAT NOTED THAT CONTRACT WITH BATTELLE INSTITUTE
TO STUDY US EXPERIENCE WITH INTEGRATED CIRCUITS WAS
PROTOTYPE TO DETERMINE METHODOLOGICAL SOUNDNESS OF
APPROACH; IF SUCCESSFUL, SUCH STUDIES WOULD BE UNDER-

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 34934 03 OF 03 242108Z

66
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00

OMB-01 OES-06 /090 W

----- 114796

R 242046Z NOV 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 4437

INFO ALL OECD CAPITALS 0621

LIMITED OFFICIAL USE SECTION 03 OF 03 OECD PARIS 34934

TAKEN IN OTHER INDUSTRIES AND COUNTRIES.

15. INTERNAL INDUSTRIAL ENVIRONMENT.

IC AGREED TO SEND REPORT TO THE COUNCIL.

16. SERVICE SECTOR.

SECRETARIAT WILL COMPLETE RECALCULATIONS AND THEN TERMINATE THIS ACTIVITY.

17 CHAIRMAN TO RETIRE.

COESSENS NOTED HIS IMPENDING RETIREMENT FROM THE BELGIAN CIVIL SERVICE AND, AS A RESULT, HIS INABILITY TO CHAIR FUTURE MEETINGS. RESPONDING TO REQUEST OF SEVERAL DELEGATIONS THAT HE REMAIN IN CHAIR UNTIL MARCH MEETING, COESSENS SAID IT WILL BE UP TO HIS GOVERNMENT. WITH US ENCOURAGEMENT, AUSTRALIAN DELEGATE WOOD WILL SEEK ELECTION AS IC CHAIRMAN AT MARCH MEETING.

18. NEXT MEETING.

THE 32ND IC PLENARY WILL BE HELD MARCH 16-18, 1977.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 34934 03 OF 03 242108Z

19. COMMENT.

MISSION AND US DEL DISAPPOINTED WITH REFUSAL OF SEVERAL IC DELEGATIONS TO RESPOND IN POSITIVE WAY TO SECRETARIAT EFFORTS TO REDIRECT THRUST OF COMMITTEE'S WORK. FURTHERMORE, WE ARE UNCERTAIN WHETHER POSITIONS ADVANCED DURING SESSION WERE CLEAR ARTICULATION OF MEMBER GOVERNMENT POLICIES OR PERSONAL VIEWS OF DELEGATIONS. IN ANY EVENT, MISSION INTENDS TO SOUND OUT KEY DELEGATIONS IN CONSULTATION WITH SECRETARIAT, AND TO PURSUE ISSUE WITHIN EXECUTIVE COMMITTEE.

TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, INDUSTRY, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OECDP34934
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760437-0976
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761118/aaaaaoxm.tel
Line Count: 327
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 26 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 APR 2004 by hartledg>; APPROVED <08 NOV 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDUSTRY COMMITTEE MEETING, NOV. 17-19
TAGS: EIND, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006